



P.O. Box 1209
Seattle, WA 98111 1209
USA

Tele: (206) 787-3000
Fax: (206) 787-3252

www.portseattle.org

April 2, 2012

Ms. Jan Drago
Chair, Arena Advisory Committee
P.O. Box 94749
Seattle, WA 98124 749

Dear Chair Drago:

The Port of Seattle shares the community's enthusiasm about the potential for a return of the NBA and for securing an NHL team. A new sports venue could provide new economic opportunities for the City of Seattle and the region.

We welcome the commitment to the community expressed by Mr. Chris Hansen, the proponent of the project, to bring back professional basketball in a first class venue. The Port also wishes to express its thanks for the hard work of the Arena Advisory Committee, which was called on to evaluate a very complex proposal in a very short time.

Our staff has followed the arena debate and the discussions by the Advisory Committee. The committee and staffs of the City and King County engaged in a robust and thorough examination of the proposal, although all parties agree the proposal is still in its preliminary stages and requires much more negotiation, planning and analysis.

As the Advisory Committee concludes its work – and the work of the City and County councils begins- the Port would like to offer some questions and observations about the proposal that are outside the scope of your analysis but are critical nonetheless.

We ask from the perspective of a regional institution with economic ties throughout the state, representing a diverse range of maritime businesses that collectively support 56,000 jobs and \$2.5 billion in business revenue in our region. Based on the information provided so far, this project may put those jobs and economic benefits at serious risk without significant mitigation.

Transportation and infrastructure

From long experience we are concerned about the impact of nonindustrial uses adjacent to our maritime facilities. International commerce depends on an efficient transportation system, and rapid movement of cargo to and from our terminals, rail yards and logistics centers throughout the SODO area and beyond.

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The Port, City, County, State, and Federal governments have invested \$1.2 billion over 15 years in freight mobility and transportation infrastructure to keep this industrial district connected to freight corridors throughout the region.

A new 20,000 seat arena could attract upwards of 8,700 vehicles for each event. To be economically viable, the new facility will need to host many large events in addition to professional sports. We know that spectators begin arriving for events well before the start time, which potentially conflicts with cargo operations in an area that already suffers from congestion. This issue could be magnified in cases of overlapping events at nearby Safeco Field, CenturyLink Field and the Exhibition Center.

Of special concern is the intersection of 1st Avenue South and South Atlantic Street, a critical point on the route for trucks destined for the Port of Seattle and the area's main access point to I-90 and I-5. The SODO area lacks good east-west traffic movement today, and direct freeway access is limited. I-90 is carrying more traffic as drivers avoid tolls on SR 520 and Viaduct construction is diverting more vehicles onto 1st Avenue S. A large percentage of fans, especially for basketball, will come from the Eastside, increasing pressure on a limited resource that, even today, is congested at event times.

We ask that the City conduct a traffic analysis that would analyze traffic volumes and performance of key intersections. The study must demonstrate operations with baseline traffic (industrial and commuter), and add the periods leading up to the events, including occasions when multiple overlapping events with large crowds are occurring. This analysis should be completed as part of the City Council's review of a proposed Memorandum of Understanding with the arena developer.

The analysis should investigate the potential impacts on port-related traffic, including effects of spill-over traffic on routes that currently do not see much game traffic but will get busy as regular routes become more congested. Alaskan Way and East Marginal Way are such routes. We also believe the analysis should examine the parking shortage in the area and the effect this will have on motorists searching for parking in the pre-game periods. Further, it should test the recovery period from trains on the mainline rail traffic closing east-west crossings at Holgate and Lander.

The analysis should include potential mitigation alternatives including new transportation infrastructure to minimize traffic disruptions.

Earlier plans promised three east-west grade-separated connections in the SODO area to serve the high volumes of commercial truck traffic and general-purpose traffic. Only one connector suitable for heavy trucks was completed, Atlantic Street-Edgar Martinez Way. The Royal Brougham Way overpass was not designed for heavy truck use and the Lander Street overpass has not been constructed.

We do not believe that the traffic analysis conducted for the Alaskan Way Viaduct replacement contemplated a new traffic generator like a sports arena. We would ask that a new traffic study consider impacts on tunnel operations as well as the south-end connections to and from SR 99.

A critical question that policymakers must address is how to pay for mitigation that will be necessary to deal with traffic impacts of the new arena. The Lander Street overpass that is planned but not yet funded would cost an estimated \$180 million. Costly intersection improvements, as well as neighborhood and environmental mitigation resulting from increased auto emissions, may be required. Similarly, transit can help mitigate some of the traffic impacts, but options are currently limited by the scarce funding. The arena proposal does not appear to make any provision for funding mitigation efforts that will surely be required.

Land Use

The proposed stadium lies at the southern edge of the City's Stadium Zone adjacent to the SODO industrial district. The Duwamish Manufacturing Industrial Center is at once robust, supporting some 63,000 jobs, but also fragile due to aging buildings, a deficient street system and economic pressures from office and residential development.

The Port of Seattle's Terminal 46, railroad yards, warehousing, distribution centers and manufacturing all are located in the industrial areas near the proposed stadium. These companies offer stable, family-wage jobs. Development pressure from the arena and spin-offs such as hotels and related uses could have a negative impact on the industrial community.

Should transportation and land-use pressures result in the reduction or loss of cargo operations at Terminal 46, for example, the region could lose upwards of 10,000 direct jobs. Other industrial uses in the Duwamish dependent on the reliable movement of goods may also be at risk.

The City Council took strong steps to protect the industrial area in 2007 but city policy lacks incentives for industrial development in much of the area. Developer interest for non-industrial uses in the area remains high.

We would like to note the City Council has just approved the Container Ports amendment to the City's Comprehensive Plan that establishes city policy to protect industrial land and discourage uses that conflict with port container operations.

To answer these questions, the City should conduct a land-use analysis of the proposed development and the potential future impacts and pressures on adjacent properties. This analysis should explore potential mitigation and additional buffers.

Alternative Site Analysis

From a regional perspective the economic benefits of the proposed arena could occur in many locations with the proper infrastructure. Policymakers have a responsibility to make decisions based on the community's overall best interest, evaluating not only the benefits but also the potential risks.

We would ask the City Council and the County Council more fully explore other potential sites within the City and possibly other communities in King County. Seattle Center and the

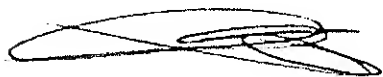
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Memorial Stadium area have served as sports and entertainment venues for decades, and transportation access will be substantially improved with the Mercer Corridor projects and the new SR 99 tunnel. Other cities also are considering potential sites.

As mentioned earlier, the SODO arena could have negative impacts on Port of Seattle operations and related businesses, requiring significant transportation infrastructure improvements and other mitigation. A fuller analysis of the potential impacts and mitigation required to permit the SODO site might result in the Seattle Center or other regional sites becoming more attractive to the cities and the developer.

We offer these observations to the Arena Advisory Committee in the spirit of cooperation with the City, County and Mr. Hansen. We offer our assistance and participation in the analysis that will be needed to answer these important questions.

Sincerely,



Linda Styrk
Managing Director, Seaport

cc: Arena Advisory Committee members
Tay Yoshitani, CEO
Commission